

June 21, 2021

VIA EMAIL

Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, ON  
M2N 6S6

**Re: Financial Professionals Title Protection Rule and Guidance – Second Consultation  
(collectively, the “Proposed Rule”)**

The Canadian Advocacy Council of CFA Societies Canada<sup>1</sup> (the “CAC”) appreciates the opportunity to provide the following comments on the Proposed Rule. We are supportive of FSRA’s intent to create minimum standards that entities will have to meet to obtain approval as a credentialing body, as well as to obtain approval of an acceptable financial planner (“FP”) or financial advisor (“FA”) credential. Our comments below include suggestions to clarify certain requirements, including with respect to the draft approach guidance which includes a list of titles which would likely be easily confused with the FP or FA title.

We are strongly supportive of FSRA’s proposal to create a central registry of credential holders on its website and believe it will help consumers locate information about those individuals appropriately utilizing an FP or FA title easily in one location, while minimizing the potential for confusion arising from fragmented information sources and variable approaches to information presentation. We would also encourage FSRA to explore information exchange agreements with credentialing bodies and regulatory agencies including the Canadian Securities Administrators (for links to or information from its National Registration Database) to ensure presentation of as complete a picture of the conduct, credentials, and regulatory coverage of credential holders as possible.

We noted in our comment letter responding to the initial consultation that there remains confusion in the marketplace with respect to the use of titles and credentials by persons providing financial advice and financial planning services in Ontario. We also suggested that FSRA provide additional guidance on examples of confusing titles and that while a specific list might not be exhaustive, additional illustrative examples would be beneficial for both industry and investor advocates. We appreciate that a list of titles that FSRA considers could (or would likely not be) reasonably confused with the FP or FA titles are now included in the draft supervisory framework

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<sup>1</sup> The CAC is an advocacy council for CFA Societies Canada, representing the 12 CFA Institute Member Societies across Canada and over 19,000 Canadian CFA Charterholders. The council includes investment professionals across Canada who review regulatory, legislative, and standard setting developments affecting investors, investment professionals, and the capital markets in Canada. Visit [www.cfacanada.org](http://www.cfacanada.org) to access the advocacy work of the CAC. CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors’ interests come first, markets function at their best, and economies grow. There are over 173,000 CFA Charterholders worldwide in over 160 markets. CFA Institute has nine offices worldwide and there are 159 local member societies. For more information, visit [www.cfainstitute.org](http://www.cfainstitute.org).

approach guidance. However, we are now concerned that instead of providing for a more purposeful approach, FSRA has perhaps unintentionally provided those willing to push the envelope or seek regulatory avoidance a tacit road map to titles that will not garner regulatory scrutiny relating to title usage. We believe that a number of these enumerated titles are still likely to lead to consumer confusion, and that providing a clear list of titles to which the FSRA rule will not apply is not generally in the spirit of financial consumer protection.

The draft administration of application approach guidance explains clearly FSRA's approach to assessing the curriculum for the granting of a credential by a credentialing body. While we understand that the approach is intended to be flexible in order to accommodate different types of credentialing bodies, we do believe that additional specificity is required in certain areas. For example, we believe those using either an FP or FA title should be able to analyze and determine the generally appropriate asset allocation for their clients as a fundamental tenet to almost any appropriate derived client recommendation, be it product-specific or broader.

Despite the shortening of the transition periods by one year, we continue to believe that the transition periods permitting the use of the protected titles are too long. Given the attention provided to the title protection issue amongst market participants and the extended periods of regulatory formation and consultation relating to the regulatory framework, we believe that the currently proposed three-year transition period for the FP title and two-year transition period for the FA title from the date the Proposed Rule is in force could still each be shortened by at least another year.

The Proposed Rule does not explicitly refer to any consumer education campaign to ensure that consumers of financial advice and financial planning understand the purpose of the credentialing regulation and process, the recognized credentials, and permitted use of titles. We continue to believe that FSRA should be responsible for such educational initiatives rather than leaving it to the credentialing bodies themselves for consistency in messaging and to minimize the potential for consumer confusion.

### **Concluding Remarks**

We support efforts to regulate the use of the FP and FA titles in Ontario as an investor protection measure and believe that the Proposed Rule could be strengthened by additions to the consumer education and information provisions, modifications to the acceptable titles from the approach guidance, specifically requiring credential curriculums to address asset allocation, and further shortening the transition timelines.

We thank you for the opportunity to provide these comments and would be happy to address any questions you may have. Please feel free to contact us at [cac@cfacanada.org](mailto:cac@cfacanada.org) on this or any other issue in future.

(Signed) *The Canadian Advocacy Council of  
CFA Societies Canada*

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